

ference of Governors of the Southern States which I attended in Kentucky last week, one Governor of a State in the deep South made what I consider to be most revealing speech on industrial development. He said that his State had definite advantages, in natural resources, in geography, in transportation facilities, over all of its neighbors. And yet, he said, his State lagged behind all the others in industrial development. Why? He had the answer. He said his State had a nationwide reputation for political instability. His State, he said quite candidly, was notorious for its brand of politics.

If your State government has done nothing else — and I think it has done a lot more, of course, — it has maintained a high level of financial stability and political integrity. I think Mr. Luetkemeyer, your State Treasurer and an expert financier, will attest to this. I don't intend to burden you with the details, with which I believe you are all familiar — with our triple-A bond rating, with the soundness of our tax structure, with the strength of our treasury, and so on.

May I assert however — that in my opinion the management of the taxpayers' dollars in Maryland has been wise and prudent, and that the State has moved through the greatest period of growth and development in its history, expanding and improving the services to the people all the while, without imposing undue tax hardships upon either industry or the breadwinner. I am going to offer you just one piece of evidence which I believe sustains this assertion. Since I took the oath of office in January, 1959, the State's expenditures for services to the people have approximately doubled (from \$448.2 million in all funds in fiscal 1960 to \$885.1 million for the current fiscal year, 1967). These extraordinary demands upon the State treasury have been met without any general fund tax increases for the needs of the State during this entire eight-year period. This, I believe, reflects the kind of fiscal soundness and stability that business men like yourselves expect of their government.